

## Choose Employee Benefit Options



**Wisely**

*by Jeff Rubleski, MBA*

**Most employers give employees the opportunity** to select employer-sponsored benefits on an annual basis. Autumn is the season when many employers will present employees with options covering health insurance, retirement savings plans and a host of voluntary benefit offerings.

All of this can be quite confusing due to the complexity of the benefit offerings and the short amount of time you may have to make your final enrollment decisions for the next plan year. However, it's vitally important to make good decisions regarding your benefits. Here are three common benefit plan options you may need to consider:

- • • ➤ **Health Plan Options**—many employers offer more than one health insurance plan for consideration. Find out how much you'll need to contribute to each plan. If you and any covered dependents have relatively good health, you may decide to choose the plan that has higher deductibles and coinsurance due to the premium savings you'll experience. Take the time to know your health plan options. Making a mistake in this area of benefits can be costly and you'll likely need to stick with your plan choice for at least one year.
- • • ➤ **Retirement Savings Plan Options**—retirement plan options generally change less frequently than health plan options. But this is a good time to look at how much you are contributing to your company's retirement savings plan. If your company offers matching contributions, make sure that you are funding up to at least the company matching amount.
- • • ➤ **Flexible Spending Account Options**—these accounts allow you to pay for qualified healthcare and child care expenses on a pre-tax basis through payroll deduction. These accounts are typically under-utilized by employees. Most employees would be well-served by participating in a flexible spending account for healthcare expenses. With a little planning, most participants should be able to use all money in the spending account before the end of the plan year.

Each employer will offer different benefit options for your consideration during open enrollment. Proper selection of benefit options can have a significant impact on your personal finances. You'll make better decisions when you know all of your employer-sponsored benefit options.

## An Easy Way to Boost Savings in Your Retirement Account

The best way to boost your savings rate in your retirement account is to make the process "automatic" and linked to a specific event or point in time. Consider the following ideas to boost your retirement plan savings rate:

**Pay increases**—each time you receive a base pay increase, automatically increase your plan contribution by at least 1%. When you increase your contribution with a pay increase, you won't miss the extra amount going into your plan.

**At a designated time of the year**—consider an increase in your plan contribution at a designated time each year. Check with your retirement plan administrator to see if this can be automated.

**When ongoing debts have been eliminated**—if monthly obligations for student loans, car payments, credit card payments, etc. have been eliminated, consider increasing your plan contribution with a portion of the savings.

When you boost your retirement plan savings rate, you give your retirement plan added funding to help you reach your financial goals.



A NEW TREND IN HEALTH INSURANCE:

## Big Savings *for* Lifestyle Choices

*By Jeff Rubleski, MBA*

**H**ealth insurance plans (including HMOs) are starting to offer insured members significant savings in health plan premiums when adult insured members commit to pursuing a healthful lifestyle. The lower premium or better plan design benefits are usually contingent upon the member's completion of routine health screenings, and an agreement to participate in proactive counseling with the insurer's health coaching staff if identified risk factors (like high blood pressure, elevated cholesterol, high body mass index, etc.) put the member at risk.

### To avoid discrimination laws

established by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)—the laws designed to protect those with chronic illnesses—health insurers must allow people with elevated risk factors to participate in programs to help reduce the identified risks. As long as the individual is adhering to the insurer's risk reduction program, the elevated risk factor cannot be used to disqualify the individual from receiving the premium savings or the enhanced level of benefits. Therefore, everyone has equal access to the health plan's savings and can choose whether to follow the program's

rules to receive the discounted insurance rate or increased level of plan benefits.

### This movement by health insurers is a step in the right direction

to reward people financially or with enhanced benefits (versus the standard benefit plan) for a commitment to healthy living and a pledge to work on the reduction of identified health risk factors that are known to cause expensive current and future healthcare costs. The financial awards can save the member hundreds of dollars per year or result in an enhanced level of plan benefits (with lower deductibles and lower coinsurance payments).

**In addition**, some employers also offer financial incentives to employees and their covered spouses for following specified lifestyle behaviors (not smoking, participation in routine exercise, etc.). Take advantage of these incentives if they are offered to enhance your health and to save on ever-rising health insurance costs. Prevention of disease and illness saves money and leads to a better quality of life. This emerging trend in health benefits is truly a win-win for everyone involved.

*Source: U.S. Department of Labor (HIPAA).*

## The Value of Regular Health Screenings

Developing a solid relationship with your primary healthcare provider is a crucial step to ensuring the early detection and treatment of illness and disease. Check your health benefit plan to see if routine health screenings are covered. Most health plans cover these screenings and often the plan deductible is waived when routine annual health screenings (or physical exams) are performed.

With health plans typically requiring higher deductibles for medical procedures, it makes good financial sense to schedule regular health screenings that are appropriate for your age, overall health status and gender.

Regular health screenings allow your healthcare provider to identify significant changes in your overall health. Your good health is one of your most powerful lifelong assets. **You can have the most sought-after skills in your profession, but if you lose your health, you've lost it all.**

Your good health is truly priceless. Work with your primary healthcare provider to develop an appropriate health screening program.



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